

**COMMONWEALTH OF PUERTO RICO
TELECOMMUNICATIONS REGULATORY BOARD
OF PUERTO RICO**

FCC'S TRIENNIAL REVIEW ORDER

Case Number: JRT-2003-CCG-0004

Re: Review of High-Capacity Business
Customer Local Circuit Switching

**RESPONSE OF CENTENNIAL PUERTO RICO LICENSE CORP. TO THE BOARD'S
INFORMATION REQUEST, AND MOTION FOR EXTENSION OF TIME**

1. Introduction and Motion for Extension of Time.

By this document Centennial Puerto Rico License Corp. ("Centennial") responds to the Board's information request released in this matter on October 7, 2003. Centennial is providing with this document the information that is presently available in response to the Board's questions. Centennial respectfully requests an extension of time of three (3) business days, until October 22, 2003, to respond to Attachment II, questions 2 and 6. Certain information responsive to those is still being compiled and will be provided to the Board as soon as it is available. In addition, the information responsive to Question 6 is highly proprietary and will be provided for Board-only review.

2. Responses to Questions.

a. Attachment I

1. *Should the Board make the FCC-mandated analysis taking the island as a whole, or should it break it down into smaller regions?*

In Centennial's view, it would be reasonable to break the island down into smaller regions, since it is likely that some relevant considerations will reasonably differ as between, say, San Juan and more rural areas of the island.

2. *If smaller regions are to be employed, what standard should the Board employ to determine the size of the smaller regions/markets?*

A formal economic analysis of the "relevant geographic market" for high-capacity business customer circuit switching would require a level of detailed evidence and

analysis that is simply impossible to conduct in the time frame of this proceeding. Moreover, there is no reason to conclude *a priori* that all switching capacity that could be used in one area will necessarily be located in that area, even though PRTC switches tend to be located relatively near the customer.

In these circumstances, Centennial recommends that the Board use Centennial's 14 retail calling zones as a rough approximation of geographic areas of interest. Centennial has established these areas based on high-level assessments of "community of interest," and they reflect, in Centennial's view, a reasonable compromise between an island-wide analysis and an analysis so granular (*e.g.*, town-by-town) as to be totally unwieldy.

3. *Do the GTE/Bell Atlantic merger conditions have any bearing on this proceeding?*

Centennial does not believe that they do. The Board, however, may find those conditions to be instructive on some matters in this case.

4. *Given the short time frame to make a determination in this case, should the Board import evidence from other dockets and require parties to update that evidence to the extent that it is relevant?*

Centennial believes that this would be a reasonable course of action for the Board, **provided** that the Board give notice to all parties of the specific evidence from other proceedings that it is "importing" and gives parties an opportunity to respond to and/or rebut that evidence. This is necessary because, for example, Centennial might have had no strong business reason to be involved in some aspect of a proceeding in which PRTC or some other party might have presented evidence which Centennial would, upon review, believe to be erroneous. Other parties would likely have similar concerns. As a result, while the Board can reasonably consider evidence from other dockets, it must do so cautiously, since the procedural and business considerations in those other dockets may not have led to full and complete cross-examination and rebuttal evidence, as relevant to the issues in *this* proceeding.

5. *Any other procedural issues that should be discussed at this time?*

None of which Centennial is aware. Centennial reserves the right to raise other issues as the case progresses.

b. Attachment II

1. *What is the number of high capacity business customers (DS1 or larger connection capacity) for each of the following services: local service, access service, long distance service, Internet access service, and broadband access? Please divide customers into those served by the LECs' own facilities and those served through resale or UNE-P.*

Centennial serves several thousand business customers by means of DS1 or higher connections. The majority of those connections are for local service (dial tone/PBX

trunks) and data transmission (including both special access/private line and Internet access). The specific numbers and types of service are highly proprietary and, moreover, can only be developed with considerable effort. Centennial requests that the Board discuss with Centennial privately what level of detail, if any, it would like beyond that which is provided in this answer, to determine whether Centennial should provide additional information in response to this question.

2. *Provide a list of all circuit switches used to provide high capacity business service in Puerto Rico, including the physical location of each switch (i.e., the street address), the switch type (e.g., Lucent 5ESS), and the 11-digit Common Language Location ("CLLI") code of the switch as it appears in the Local Exchange Routing Guide ("LERG"). For each switch, provide a list of all the PRTC wire centers in which your company is using PRTC to provide high capacity business service to one or more customers.*

Centennial has four circuit switches in service in Puerto Rico. All are Lucent devices. Two are 5ESS devices; one is a 7ESS; and one is a BDCX. Centennial is gathering the specific information about switch CLLI codes and locations and will provide that under seal to the Board when it is available. Centennial is not "using PRTC to provide high capacity business services" in any location, as Centennial understands the question. In some very small number of cases, Centennial purchases PRTC tariffed DS1 circuits for some point-to-point connectivity.

3. *Identify any plans to deploy facilities to provide high capacity business services to business customers.*

Centennial's basic strategy for addressing the business market in Puerto Rico is to use Centennial's own facilities — primarily its fiber network and switching capacity, augmented where appropriate with wireless microwave links — to provide high capacity business services to business customers. From that perspective, essentially all of Centennial's facilities deployment is responsive to this question. Of course, Centennial also provides a certain amount of residential service using its landline facilities as well, although Centennial views its wireless services as its primary (and most cost-effective) means to address the residence market.

4. *Identify the points at which you connect your local network facilities to the networks of carriers, including interconnection with PRTC, other CLECs, wireless carriers, interexchange carriers, or Internet service providers at any point of presence ("POP"), network access point ("NAP"), data center, or similar facility.*

Centennial has direct fiber connections with PRTC at both PRTC tandem locations and at approximately 25 PRTC host end office switches (not remotes). Centennial is not aware of any other facilities-based CLECs operating in Puerto Rico and so has no connections to any such entities. Centennial directly connects to a number of IXCs (TLD, Sprint, PRTC-Long Distance and MCI) and CMRS providers (Movistar, Cingular, Verizon Wireless, AT&T Wireless, and Sprint PCS). Centennial reaches other IXC's (e.g., AT&T,

Primus) via PRTC. Centennial provides connectivity between its network and a number of small ISPs in Puerto Rico, as well as connections to AOL, for Puerto Rico, in Miami.

5. *How many Integrated Digital Loop Carrier-Remote Terminals (DLC-RTs) has your company installed in its network?*

Centennial is not certain precisely what technology the Board is asking about with this question. Centennial's fiber network connects to more than 1000 commercial and large residential buildings in Puerto Rico. In such cases the optical fiber is connected to an optical multiplexing-demultiplexing device on the premises so that customers in the building can connect to Centennial's network at the DS-1 level or above. These connections can be and in many cases are used to provide connectivity between a customer's digital PBX equipment and Centennial's switches, *i.e.*, to provide dial tone. These same connections can be used for point-to-point service.

6. *Provide data on actual costs incurred by your company to purchase and deploy switches noted in response to question number two (2).*

Centennial is gathering this information and will provide it to the Board, under seal, when it is available. Considering both the cost of Centennial's switches, and the costs of installing and upgrading them over time, Centennial has spent many millions of dollars on its switches.

7. *Provide any documents and/or describe the efforts your company has made to provide high capacity business services through UNE-P and methods other than UNE-P, including UNE-L.*

See above. Centennial provides high capacity business services by means of its island-wide fiber optic network. Centennial has never used UNE-P for any service and does not foresee doing so in the future. As the Board is aware from issues raised in Centennial's last arbitration with PRTC and from certain complaint filings since, Centennial is attempting to work with PRTC to use PRTC DS1 UNE loops to provide service to some business customers, either by cross-connection of those UNE loops to Centennial meet point facilities and/or by collocating in PRTC central offices and accessing UNE DS1 loops in that manner. At present PRTC is nearing completion of providing Centennial with collocation space at three different central offices. Centennial expects to use those collocations to provide service by means of UNE DS1 loops over the next three to six months, and to build on that experience to expand its use of this way of addressing the business market over time.

8. *Provide any documents and/or describe the efforts your company has made to provide high capacity business service through methods other than UNE-P.*

See above.

9. *What ability do you as a LEC have to interconnect with PRTC's network to gain access to its UNE facilities?*

As far as Centennial is aware, it is the only CLEC seeking to collocate with PRTC to obtain access to PRTC UNE DS1 loops. As the Board is aware from Centennial's last arbitration and the several formal complaints regarding PRTC's collocation practices and prices that Centennial has filed, the process of obtaining workable collocation from PRTC has been difficult. Many issues remain, such as the procedures and pricing for actually establishing UNE DS1 loop arrangements with PRTC, cutting existing PRTC DS1 loop customers over to Centennial collocation arrangements, associated LNP issues, etc.

10. *If you are a facilities based carrier, how many of your switches are interconnected with PRTC UNE loops and how are they interconnected?*

At present, none. Centennial expects its initial connections with PRTC to be by means of cross-connections in PRTC's central offices to Centennial's collocation arrangements. Centennial expects that over time it will also make use of "extended enhanced loops," or "EELs," by which a DS1 UNE loop in a PRTC central office where Centennial does not have a collocation arrangement is linked via PRTC-provided interoffice transport ("extended") to a PRTC central office where Centennial does have a collocation arrangement.

11. *How many UNE sub-loop pairs have other LECs secured from your company. What means was used to access these sub-loops?*

None. Centennial notes that as a CLEC it has no obligation to unbundled its network for use by other carriers.

12. *What processes does PRTC have in place to accommodate CLEC interconnection with PRTC UNEs.*

This is primarily a question for PRTC. As far as Centennial is aware, prior to this year PRTC had no collocation or UNE procedures in place at all (e.g., ordering, provisioning, maintenance, pricing, trouble ticket tracking, etc.). Centennial has been working with PRTC on Centennial's first collocation arrangements with PRTC, during which the parties have tried to begin to develop such procedures. Centennial understands these to be the first collocation arrangements that PRTC has established with any other carrier. Centennial is looking to PRTC to adopt and apply industry-standard "best practices" in this area.

13. *How many CLEC collocation sites are available in PRTC offices?*

This is primarily a question for PRTC. Centennial has requested collocation in several PRTC central offices, and is actively working with PRTC to complete the first three such collocations.

14. *How many CLEC collocation facilities are located in, or adjacent to, remote terminal sites.*

This is primarily a question for PRTC. As far as Centennial knows, the answer is "none"

15. *How many CLEC switches are interconnected with PRTC UNE loops and how are they interconnected?*

This is primarily a question for PRTC. As noted above, Centennial is working with PRTC to establish collocations which will be used to access PRTC DS1 UNE loops. As far as Centennial is aware, at present the answer to this question is "none."

16. *To what extent do business customers use wireless phones as a substitute for high capacity business wireline services. Submit information that supports your assessment.*

Centennial does not believe that wireless services normally substitute for high capacity business private line services. In a very general sense, to the extent that business customers have wireless phones and use those phones to make and receive business-related calls, that will lower the total demand for landline business dial tone lines, in that some of the traffic that would have had to be carried by landline dial tone lines is actually handled by wireless networks. This effect probably slows the growth in demand for PBX trunks, for example. Centennial is unaware of any formal studies or documentation quantifying this effect.

17. *What economic barriers exist for a CLEC desirous to enter the high capacity business market without access to PRTC switching?*

Centennial has had to invest on the order of \$500 million in Puerto Rico over the last 8 years in order to build a network that allows Centennial to offer high capacity business services to many customers without reliance on PRTC. Centennial invested this money due to its business judgment that a market entry strategy based on resale of PRTC's unreliable network or use of elements of that network, combined with PRTC's inevitable resistance to cooperation with competitors, could not succeed in the long run. That said, in some cases reliance on UNEs is the only feasible means to reach certain customers, which is why Centennial is now pursuing collocation.

In theory a CLEC could enter this market entirely in reliance on PRTC UNE loops and PRTC-supplied transport to a CLEC-owned switch. This requires working out collocation arrangements with PRTC. That process has been highly problematic. Moreover, as noted, for many, many thousands of business customers, it is entirely uneconomic for Centennial to extend fiber to their premises; for that reason, access to PRTC UNE loops via collocation is absolutely essential in order to serve those customers. In that sense, assuming that the prices for collocation and UNE loops are reasonable, the potential barrier is not so much "economic" as "operational." That is, if PRTC unreasonably delays or denies the availability of collocation space and/or

unreasonably delays or denies the provision of UNE loops, that would essentially constitute an absolute barrier to serving thousands and thousands of business customers, even though the nominal "prices" for the delayed services might be facially reasonable.

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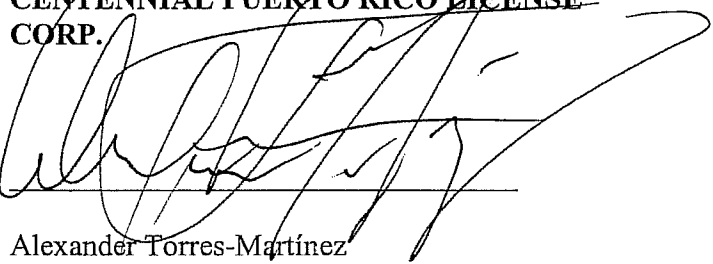
Centennial looks forward to working with the Board in this highly important proceeding.

Centennial invites the Board to contact Centennial if additional information regarding the matters addressed here is needed.

Respectfully submitted,

**CENTENNIAL PUERTO RICO LICENSE
CORP.**

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